



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-051; C-570-052]

Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Results of Changed Circumstances Reviews, and Consideration of Revocation of the Antidumping and Countervailing Duty Orders in Part

AGENCY: Enforcement and Compliance International Trade Administration, Department of Commerce.

SUMMARY: On October 15, 2020, the Department of Commerce (Commerce) received a request for revocation, in part, of the antidumping duty (AD) and countervailing duty (CVD) orders on certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China) with respect to certain finished laminated veneer lumber (LVL) door stiles and rails. We preliminary determine to revoke, in part, the *Orders* with respect to these products. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Nicolas Mayora, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3053.

SUPPLEMENTARY INFORMATION:

Background

On January 4, 2018, Commerce published the AD and CVD orders on hardwood

plywood from China.¹ On October 15, 2020, the Coalition for Fair Trade in Hardwood Plywood (the petitioner) requested that Commerce initiate changed circumstances reviews (CCRs) to revoke, in part, the *Orders* with respect to certain LVL door stiles and rails, pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b).²

On February 9, 2021, we published the *Initiation Notice* for these CCRs in the *Federal Register*.³ We invited interested parties to submit comments concerning industry support for the revocation, in part, of the *Orders*, as well as comments and/or factual information regarding these CCRs. We also invited interested parties to comment on whether any of their entries are covered by the revocation request but enjoined from liquidation due to an injunction issued in ongoing litigation. On February 19, 2020, we received comments on behalf of importer MJB Wood Group LLC (MJB) agreeing with the proposed revocation and confirming that it had no such entries.⁴ We received no further comments on the *Initiation Notice*.

Scope of the *Orders*

The merchandise covered by these *Orders* is hardwood plywood from China. For a complete description of the scope of the *Orders*, see the appendix to this notice.

Scope of the CCRs

The petitioner requests that Commerce revoke the *Orders*, in part, to exclude from the scope door stiles and rails made of LVL that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters.

¹ See *Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); and *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018) (collectively, the *Orders*).

² See Petitioner's Letter, "Hardwood Plywood Products from the People's Republic of China: Request for Changed Circumstances Review and Partial Revocation," dated October 15, 2020 (CCR Request); Commerce's Letter, "Clarification of Changed Circumstances Review and Partial Revocation Request," dated November 12, 2020; Commerce's Letter, "Clarification of Changed Circumstances Review and Partial Revocation Request," dated November 17, 2020; and Petitioner's Letter, "Hardwood Plywood Products from the People's Republic of China: Response to Clarification of Changed Circumstances Review and Partial Revocation Request," dated December 10, 2020.

³ See *Certain Hardwood Plywood Products from the People's Republic of China: Initiation of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews*, 86 FR 8766 (February 9, 2021) (*Initiation Notice*).

⁴ See MJB's Letter, "Changed Circumstances Reviews of Hardwood Plywood Products from the People's Republic of China: Comments on Initiation Notice," dated February 19, 2021 (MJB Letter).

Preliminary Results of the CCRs and Intent to Revoke the *Orders*, in Part

Pursuant to section 751(d)(1) of the Act, and 19 CFR 351.222(g), Commerce may revoke an order, in whole or in part, based on a review under section 751(b) of the Act (*i.e.*, a CCR). Section 751(b)(1) of the Act requires a CCR to be conducted upon receipt of a request which shows changed circumstances sufficient to warrant a review. Section 782(h)(2) of the Act gives Commerce the authority to revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. Section 351.222(g) of Commerce's regulations provides that Commerce will conduct a CCR of an AD or CVD order under 19 CFR 351.216, and may revoke an order (in whole or in part), if it concludes that: (i) producers accounting for substantially all of the production of the domestic like product to which the order pertains have expressed a lack of interest in the relief provided by the order, in whole or in part; or (ii) if other changed circumstances sufficient to warrant revocation exist. Thus, both the Act and Commerce's regulations require that "substantially all" domestic producers express a lack of interest in the order for Commerce to revoke the order, in whole or in part.⁵ In its administrative practice, Commerce has interpreted "substantially all" to represent producers accounting for at least 85 percent of U.S. production of the domestic like product.⁶

The petitioner submitted a statement of lack of interest in the continued application of the *Orders* with respect to certain LVL door stiles and rails and requested that Commerce conduct these CCRs on an expedited basis.⁷ Commerce's regulations do not specify a deadline for the issuance of preliminary results of a CCR but provide that Commerce will issue the final results of the review within 270 days after the date on which the CCR is initiated, or within 45 days if all parties to the proceeding agree to the outcome of the review.⁸ Commerce did not issue a

⁵ See Section 782(h) of the Act and 19 CFR 351.222(g).

⁶ See, e.g., *Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

⁷ See CCR Request at II.

⁸ See 19 CFR 351.216 (e).

combined notice of initiation and preliminary results because the record was unclear as to whether the petitioner accounts for substantially all domestic production of hardwood plywood.⁹ Thus, Commerce did not determine in the *Initiation Notice* whether producers accounting for substantially all of the production of the domestic like product lacked interest. Instead, we invited interested parties to submit comments concerning domestic industry support with respect to the requested partial revocation of the *Orders*.¹⁰ Although Commerce received comments from MJB in response to initiation of these CCRs, the comments did not address the issue of domestic industry support.¹¹ Commerce, therefore, received no comments on industry support. As a result, we find that the domestic industry has expressed no opposition with respect to the proposed revocation, in part, of the *Orders*.

In light of the petitioner's statement of lack of interest, and the absence of comments from any interested party addressing the issue of domestic industry support, we preliminarily conclude that producers accounting for substantially all of the production of the domestic like product to which the *Orders* pertain lack interest in the relief provided by the *Orders* with respect to LVL door stiles and rails. Thus, we preliminarily determine that changed circumstances warrant revocation of the *Orders*, in part, with respect to certain LVL door stiles and rails.

The petitioner requested that partial revocation of the *Orders* be applied retroactively to June 23, 2017, and April 25, 2017, for the AD and CVD orders, respectively, *i.e.*, the dates of the preliminary determinations in the AD and CVD investigations.¹² The petitioner also requested that Commerce instruct U.S. Customs and Border Protection (CBP) to discontinue the suspension of liquidation for imports subject to the CCR Request and entered, or withdrawn

⁹ See *Initiation Notice*.

¹⁰ *Id.*, 86 FR at 8767.

¹¹ See MJB Letter.

¹² See CCR Request at 8.

from warehouse, for consumption before June 12, 2020, and to liquidate all such entries without regard to duties.¹³

Section 751(d)(3) of the Act provides that “{a} determination under this section to revoke an order...shall apply with respect to unliquidated entries of the subject merchandise which entered, or withdrawn from warehouse, for consumption on or after the date determined by the administering authority.” Consistently, Commerce’s general practice is to instruct CBP to liquidate without regard to AD and CVD duties, and to refund any estimated deposits of those duties, on all unliquidated entries of the merchandise covered by a revocation that are not covered by the final results of an administrative review or automatic liquidation.¹⁴ Commerce has exercised its discretion and deviated from this general practice if the particular facts of the case have implications for the effective date of the partial revocation selected by Commerce.¹⁵

If we make a final determination to revoke the *Orders*, in part, Commerce intends to apply these determinations to each order as follows. Because we have completed administrative reviews of the *Orders*, the partial revocation will be retroactively applied to unliquidated entries of merchandise subject to the CCRs that were entered or withdrawn from warehouse, for consumption, on or after the day following the last day of the period covered by the most recently completed administrative review of the *Orders*, and which are not covered by automatic liquidation (*i.e.*, January 1, 2020).

¹³ *Id.* The petitioner does not explain how this request is consistent with its request that Commerce revoke the *Orders* retroactive to 2017, however.

¹⁴ See, e.g., *Certain Pasta from Italy: Final Results of Countervailing Duty Changed Circumstances Review and Revocation, In Part*, 76 FR 27634 (May 12, 2011); *Stainless Steel Bar from the United Kingdom: Notice of Final Results of Changed Circumstances Review and Revocation of Order, in Part*, 72 FR 65706 (November 23, 2007); *Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation of Order In Part: Certain Corrosion-Resistant Carbon Steel Flat Products from Germany*, 71 FR 66163 (November 13, 2006); *Notice of Final Results of Antidumping Duty Changed Circumstances Reviews and Revocation of Orders in Part: Certain Corrosion-Resistant Carbon Steel Flat Products from Canada and Germany*, 71 FR 14498 (March 22, 2006); and *Notice of Final Results of Antidumping Duty Changed Circumstances Review, and Determination to Revoke Order in Part: Certain Cased Pencils from the People’s Republic of China*, 68 FR 62428 (November 4, 2003).

¹⁵ See section 751(d)(3) of the Act; and *Itochu Building Products v. United States*, Court No. 11-00208, Slip Op. 14-37 (CIT 2014) (*Itochu Bldg. Prod*) (CIT April 8, 2014) at 12 (“The statutory provision, as discussed above, provides Commerce with discretion in the selection of the effective date for a partial revocation following a changed circumstances review, but that discretion may not be exercised arbitrarily so as to decide the question presented without considering the relevant and competing considerations”).

Public Comment

Interested parties are invited to comment on these preliminary results in accordance with 19 CFR 351.309(c)(1)(ii). Written comments may be submitted to Commerce no later than 14 days after the date of publication of these preliminary results. Rebuttal comments, limited to issues raised in such comments, may be filed with Commerce no later than seven days after the comments are filed.¹⁶ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁷ All submissions must be filed electronically using the Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. An electronically-filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the due date set forth in this notice.

Final Results of the Changed Circumstances Reviews

Commerce will issue its final results of these CCRs, which will include its analysis of any written comments, no later than 270 days after the date on which these reviews were initiated. If, in the final results of these reviews, Commerce continues to determine that changed circumstances warrant the revocation of the *Orders*, in part, we will instruct CBP to liquidate without regard to AD or CVD duties, and to refund any deposits of estimated AD and CVD duties, on all unliquidated entries of the merchandise covered by the revocation that are not covered by the final results of an administrative review or automatic liquidation. The current requirement for cash deposit of estimated AD and CVD duties on all entries of subject merchandise will continue unless they are modified pursuant to the final results of these CCRs.

Notification to Interested Parties

¹⁶ Submissions of rebuttal factual information must comply with 19 CFR 351.301(b)(2); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁷ *See Temporary Rule.*

These preliminary results of review are being issued and published in accordance with sections 751(b) and 777(i) of the Act, and 19 CFR 315.216, 19 CFR 351.221(c)(3), and 19 CFR 351.222.

Dated: March 30, 2021.

Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

Appendix

Scope of the Orders

The merchandise subject to these *Orders* is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).

For purposes of this proceeding a “veneer” is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (MDF).

All hardwood plywood is included within the scope of these *Orders* regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood. Examples of surface coatings and covers include, but are not limited to: ultra violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (MDO); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.

All hardwood and decorative plywood is included within the scope of these *Orders*, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope product.

The scope of the *Orders* excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China,

Import Administration, International Trade Administration. See *Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76690 (December 8, 2011) (amended final determination of sales at less than fair value and antidumping duty order), and *Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76693 (December 8, 2011) (countervailing duty order), as amended by *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel, with the exception of any minor processing described above; (6) products made entirely from bamboo and adhesives (also known as "solid bamboo"); and (7) Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an "Exterior" or "Exposure 1" bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m³ permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges.

Excluded from the scope of these Orders are wooden furniture goods that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these Orders is "ready to assemble" (RTA) furniture. RTA furniture is defined as (A) furniture packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of furniture, (2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a finished unit of furniture, and (3) instructions providing guidance on the assembly of a finished unit of furniture; (B) unassembled bathroom vanity cabinets, having a space for one or more sinks, that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional component shape/size, painted or stained prior to importation, and stacked within a singled shipping package, except for furniture feet which may be packed and shipped separately; or (C) unassembled bathroom vanity linen closets that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional shape/size, painted or stained prior to importation, and stacked within a single shipping package, except for furniture feet which may be packed and shipped separately.

Excluded from the scope of these Orders are kitchen cabinets that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these Orders are RTA kitchen cabinets. RTA kitchen cabinets are defined as kitchen cabinets packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of cabinetry, (2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, hooks, adhesive glues) required to assemble a finished unit of cabinetry, and (3) instructions providing guidance on the assembly of a finished unit of cabinetry.

Excluded from the scope of these Orders are finished table tops, which are table tops imported in finished form with pre-cut or drilled openings to attach the underframe or legs. The table tops are ready for use at the time of import and require no further finishing or processing.

Excluded from the scope of these Orders are finished countertops that are imported in finished form and require no further finishing or manufacturing.

Excluded from the scope of these Orders are laminated veneer lumber door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters (2) water boiling point exterior adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or

lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers; and (5) top layer machined with a curved edge and one or more profile channels throughout.

Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4150; 4412.31.4160; 4412.31.4180; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5235; 4412.31.5255; 4412.31.5265; 4412.31.5275; 4412.31.6000; 4412.31.6100; 4412.31.9100; 4412.31.9200; 4412.32.0520; 4412.32.0540; 4412.32.0565; 4412.32.0570; 4412.32.0620; 4412.32.0640; 4412.32.0670; 4412.32.2510; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2630; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5600; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5700; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3141; 4412.94.3161; 4412.94.3175; 4412.94.4100; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5115; and 4412.99.5710.

Imports of hardwood plywood may also enter under HTSUS subheadings 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.